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DEPARTMENT FOR EUR/SE, EUR/ERA, IO/UNP

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SUBJECT: UN REP, P-5 AMBS TAKE STOCK

Classified By: Ambassador Ronald Schlicher, Reasons 1.4 (b), (d)

¶1. (C) SUMMARY: Hosting local Perm Five ambassadors and the resident UN chief to a working lunch December 18, the Ambassador orchestrated a tour d'horizon that touched on the UN transition in New York, horsetrading over the UNFICYP mandate renewal, developments on the UN negotiating track in Nicosia, the December 17 municipal elections, Turkey's EU track, and friction within the Cypriot MFA's ranks. UN Special Representative Michael Moller opened the discussion by refuting rumors he would soon abandon Cyprus for New York and a position on incoming SYG Ban Ki-Moon's team. Job jockeying was consuming his colleagues' days, however, as Moon likely would fill fifty positions in the next few months. Turning to the Cyprus Problem, Moller voiced satisfaction with the UNFICYP renewal process, which he'd witnessed first-hand in New York. While there, he also had netted "seed money" to fund costs related to a potential UN Good Offices mission re-start. The UN mediator would host Greek Cypriot and Turkish Cypriot negotiators later December 18; he worried, however, that mutual mistrust still plagued the sides' relations. Property issues likely would dominate the meeting, Moller thought.

¶2. (C) Ambassadors broke down the results of Cyprus's day-earlier local elections. All agreed the something-for-everyone results gave neither the coalition nor opposition a mandate, and were unlikely to force a Cyprus Problem change of tack by President Tassos Papadopoulos. Turkish EU accession also made the discussion, with the Ambassador's British and French counterparts claiming that Brussels had tired of the twice-yearly crises the process brought. Germany hoped to focus its presidency on the EU Constitution, not on enlargement issues, they added. Lunch concluded with invitees dissecting Cypriot Foreign Minister Lillikas's recent and future personnel moves. The FM hoped to shake up the listless ministry, they concurred, but faced opposition from potent unions. END SUMMARY.

Polishing Resumes in the Big Apple

¶3. (C) Moller days earlier had returned from New York, where he had presented the Secretary General's report on Cyprus to the Security Council. Numerous colleagues there were lobbying hard for jobs in the incoming Ban Ki-Moon administration. Not Moller. "I'd rather serve in Baghdad," the UN mediator chuckled. "Rumors of my imminent departure are just that -- rumors." Personnel matters would consume Moon's time for the near future, Moller asserted. First, he would need to name his deputy. Sources close to the South Korean claimed Moon wanted a female candidate from a

third-world nation; Egyptian Minister of State for International Cooperation Fayza Abul-Naga, a Jordanian, and a Saudi topped the prospect list. Up next were the UN's dozen-plus under secretary slots, plus executive positions in the specialized agencies. All told, Moller thought Moon would replace fifty UN diplomats in the coming quarter. Political Under Secretary Ibrahim Gambari, who brokered the July 8 negotiating framework which UNFICYP was attempting to shepherd, would move on, but not until late February. "Hopefully we'll see movement before then," Moller added. Cyprus did not figure high on the incoming SYG's priority list, however.

¶4. (C) Security Council deliberations on the latest UNFICYP mandate resolution had gone smoothly, especially compared to the bickering that had occurred during the prior go-round in June. Its language, while muted somewhat from earlier UK drafts, sent the message that both Greek and Turkish Cypriots needed to get serious, Moller asserted. Japan, always concerned about its UN peacekeeping expenditures, had sought to review UNFICYP troop levels. Moller's response -- that UNFICYP could get no smaller without a reduced mandate -- seemed to satisfy Tokyo. Before departing New York, Moller visited UN bean-counters and acquired "seed money" to fund partially the technical committees and expert working groups the Gambari Process envisaged. "But we'll still come around, hat in hand, in the coming months," the SRSg promised. UK High Commissioner Peter Millet agreed that the December UNFICYP rollover exercise was nearly painless. "Gambari laid out the premise of political equality of the communities, and both leaders accepted it. As such, there was no reason for the Greeks and Greek Cypriots to get bogged down in the sides-versus-communities nonsense."

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Getting the Local Process Unstuck

¶5. (C) Moller announced he would host Cypriot negotiators Tasos Tzionis and Rasit Pertev at UNFICYP HQ later December ¶18. He intended to push hard on both. (Note: Moller's deputy informed us December 19 that the Moller-Tzionis-Pertev gathering, while "frank," offered no breakthroughs. End Note) Fundamental mistrust characterized the Turkish Cypriot-Greek Cypriot relationship, Moller lamented; building trust appeared his toughest task. Tackling substance appeared a distant prospect, with the sides still debating process. The latest sticking point concerned real property. Pertev saw land exchange as a final settlement issue, and therefore grist for the expert working groups. Greek Cypriots considered it a everyday life issue, however, and thus a technical committee responsibility. Moller's pitch to the disputing parties? Let both bodies tackle the real estate problem.

¶6. (C) Rather optimistic, the SRSg thought as many as seven working groups and nine technical committees could start work immediately after community leaders Papadopoulos and Mehmet Ali Talat assented. Their "green light" was not that far off, Moller believed; he described the process of synchronizing the sides' agendas as "two-thirds complete." Similarly, he expected progress soon on confidence building measures, primarily the long-delayed opening of the Ledra Street checkpoint. Both communities had agreed in principle to the step, Moller declared; details, especially concerning resupply of Turkish troops along the Green Line, remained unresolved. EU funding, channeled through its PFF program, would cover "beautification" of the checkpoint surroundings, he added. With enhanced CBMs and movement on Gambari, Moller hoped to see the negative environment surrounding bi-communal interaction to diminish somewhat.

Municipal Election Results No Boon for Solution

¶17. (C) From the UN process, the conversation segued into the December 17 municipal elections. Cypriot voters had rewarded Papadopoulos's AKEL-DIKO-EDEK coalition with mayorships in five key municipalities. But opposition DISY, too, had claimed victory, having garnered more votes than any other single party. The ambassadors and Moller agreed the results presented neither side a clear mandate, nor did they portend a Cyprus Problem policy correction. Had AKEL's high-profile, pro-solution candidates lost in Nicosia and Limassol, party leaders might have taken a second look at the benefits of coalition membership, believed French Charge Eric Sanson. With wins, however, AKEL seemed content, and surely would stay with Papadopoulos through the 2008 presidential elections. To keep progressive, pro-solution AKEL voters in the fold, all thought Papadopoulos would "play nice" on the UN process, although he was likely to defer serious substantive decisions as long as possible.

¶18. (C) How does Papadopoulos feel he is doing? the Ambassador pondered. Domestic factors, mainly the election results and the President's continued high approval numbers, likely left him feeling fine, the Ambassador reasoned. On foreign policy and his handling of the Cyprus Problem, the story looked different. Nicosia's hard-line stance vis-a-vis Turkey's EU accession had left Cyprus isolated at the recent Council summit, and even daily of record "Phileleftheros" -- normally the staunchest of allies -- had criticized the administration's strategies. Nonetheless, Papadopoulos was unlikely to chart a major course change anytime soon.

Brussels "Fed up" with Turkey-Cyprus Bickering

¶19. (C) Speaking for his EU colleagues, High Commissioner Millet noted Brussels' frustrations with the wrangling over Turkey's EU accession, and Cyprus's intent to utilize it in extracting CyProb concessions from Ankara. "Every six months a crisis," he vented, and each kept the EU from tackling more pressing matters. According to his German Foreign Ministry contacts, Berlin hoped to focus on the EU Constitution, not on accession, during its January-June 2007 Presidency. But it was unlikely Germany could "hide"

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from Turkey issues for long, Millet ventured, since pro-Turkey forces within the EU would soon push to open those Acquis chapters which the recent Council conclusions had not locked.

¶10. (C) Finland's presidency had erred in seeking to open chapters at the COREPER immediately following the Council summit, Sanson argued. Opposition from Cyprus was a near-guarantee, as Papadopoulos -- feeling heat locally for not delivering greater penalties for Turkey -- could ill-afford another Brussels setback. Laying low for a brief period appeared a better tactic; the German Presidency likely would have faced little EU opposition in quietly pushing for renewed negotiations at the technical level, the French diplomat believed.

¶11. (C) Mentioning recent media accounts regarding Turkish Cypriots' request of UK aviation authorities for direct flights between north Cyprus and Great Britain, Russian Ambassador Andrei Nestrenko asked Millet for the current state of play. FCO legal experts continued to study the application and relevant international conventions, the High Commissioner replied. PM Tony Blair's recent message in Turkey, that Britain wished to initiate direct air service if international law permitted,

was not hyperbole. The "if" was mighty big, however. Millet relayed his government's attorneys' initial findings: that requests to commence international flights, under the Chicago Convention, must originate in internationally recognized states. Grasping at straws, "TRNC President" Talat was even seeking U.S. assistance with UK regulators, the Ambassador added, referring to the Turkish Cypriot leader's December 4 letter to the Secretary. Washington would not attempt to influence this

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internal British decision, he added. Miller made clear that this would be the proper USG response.

Moves Afoot at the MFA

¶12. (C) Lunch concluded with ambassadors and Moller analyzing RoC Foreign Minister George Lillikas's personnel moves. Millet claimed Lillikas was furious with diplomats' working hours; by five p.m., he was often left alone, and personally had to respond to requests for instructions from Cypriot ambassadors in western Europe and North America. Effecting workplace changes meant taking on powerful unions, however, always a challenge on Cyprus. Lillikas faced an even tougher union battle, the Ambassador opined, should he attempt to implement a pet project -- bringing in political appointees for high-ranking MFA slots.

¶13. (C) The permanent secretary ("D" equivalent) would go to a career diplomat, however. Lillikas continued to ponder possibilities, the Ambassador noted, with Acting PermSec Alexander Zenon and Cyprus Problem Political Director (U/S equivalent) Erato Marcoullis -- the RoC's former ambassador in Washington -- the leading candidates. At least two other PolDir slots likely would turn over in coming months.

Comment:

¶14. (C) A convergence of factors leaves us guardedly optimistic we'll see some CyProb movement on the UN track in 2007. Moller's decision to re-up is one. A solid mediator equally frustrated with both communities' leaders, the Dane has done commendable work keeping them on speaking terms; his departure and his replacement's learning curve could have cost us six months, easy. Similarly, Gambari's institutional memory on Cyprus and the respect he commands here are beneficial, even if, as Moller claims, he leaves DPA in two months. Kofi Annan's last UNSC report on Cyprus, particularly his admonition not to take UNFICYP's presence for granted, garnered major press in south Nicosia and sent the signal that the status quo does not satisfy Cyprus's long-time mediator. The governing coalition's municipal elections results were not so horrid as to force Papadopoulos to soften his Cyprus Problem stance, but not so grand as to convince him he could stall forever. Last, the latest Turkey-EU crisis has passed, with the RoC definitely not victorious in the European Council. From their European partners' reactions in Brussels, Papadopoulos, Lillikas and company must be getting the message that the EU wants out of the CyProb business.

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¶15. (C) In our private meetings and public comments, we will push both sides to support the UN process and negotiate in good faith. In our opening salvo, the Ambassador's New Year's message, he urges the sides "to focus on what unites, not what divides," in hopes of ending the unacceptable division of the island. Public Affairs expects to place the piece in leading dailies island-wide. Schlicher